Section A: State Survey

I. Overview of State Re-engineering Efforts

Categories of Administrative Change

Each of the six categories of State FSP administrative change analyzed for this study was chosen for its relevance to the FSP in a post-welfare reform environment. These categories were also chosen, in part, because these areas were of greatest policy interest to program managers at the Food and Nutrition Service (FNS) and were items for which FNS had no standardized means of collecting information. The policy premise upon which each of the six categories of administrative change was determined is briefly summarized below.

- *Change in Organizational Structure of the State FSP Agency.* In the broader context of State efforts to reorganize the State agency administering TANF and to increase the emphasis on moving clients into the workforce, many States have been merging agencies or consolidating functions at the State level. With the increased flexibility in developing program rules for the TANF block grant, some States are also moving from a centralized to a decentralized approach in the administration of their TANF programs. It was the purpose of this study to determine whether and how the administration of the FSP was altered during this same period.

- *Changes in the Role of the Caseworker.* As States are changing the orientation of the TANF program to focus on promoting work and self-sufficiency, and on identifying barriers to employment and how to overcome them, the role of the caseworker is pivotal. While States are required to pay more attention to client eligibility restrictions in the FSP, they are also changing the role of caseworkers who see TANF clients into more of a case manager role. As a case manager, the caseworker has added responsibilities, related to helping clients to become more self-sufficient, to find support services such as child care, and to identify opportunities for finding and maintaining a job. In addition, some States began dividing caseworker responsibilities by the type of client being served. For example, some States created classifications for caseworkers who handled clients eligible for multiple social and health services programs (TANF, FSP, and Medicaid), while creating separate classifications for workers who saw FSP participants only. This study sought to determine whether and how States changed

the caseworker's role and the division of caseworker roles within local offices, including how caseworkers served both TANF and non-TANF clients.

- *Changes To Improve Program Accessibility and Modify Client Certification Systems.* The need to improve access to the FSP became increasingly clear in the mid-1990s, as program statistics indicated not only a dramatic decline in TANF participation nationwide, but also a significant decline in food stamp participation. This study sought to determine whether and how States varied in terms of their efforts not only to bring in eligible clients to apply for food stamps, but also whether and how they were encouraging eligible households to stay in the FSP after they took jobs and lost cash assistance. PRWORA gave States more flexibility in the food stamp application process, and the study also looked at how States modified the initial application and recertification processes in ways that may have affected program efficiency and coordination at the local level.

- *Client Tracking and Accountability Systems.* Unlike those in the other categories, the State changes assessed in this category are mostly a consequence of new Federal requirements enacted by PRWORA. Because of these new requirements, States need new methods for collecting and tracking information about applicants and current food stamp recipients in order to determine FSP eligibility and prevent errors in program certification. Examples of the new data States are required to maintain or be able to track through database matching efforts include: information on TANF clients' participation in work programs and their employment status; information on ABAWDs' employment, participation in FSP employment and training activities, and months of participation in the FSP; information on the immigration status and year of entry into the United States of legal aliens; and information from Federal and State records on clients' prior convictions for felonies.

- *Conforming FSP and TANF Program Rules.* Because of the new option of the Simplified FSP, along with Federal and State policymakers' interest in reducing program complexity and promoting conformity between TANF and the FSP, an important category of change was the extent of conformity that States initiated between these two programs. The study assessed the number of States that had con-

formed the FSP to their State TANF rules, either through the Simplified FSP option or by shaping TANF rules to existing Federal FSP rules.

• *Program Monitoring and Evaluation.* With the significant changes in welfare reform, it became important for public policymakers to know how the changes were affecting client outcomes. In the FSP, it is important to know whether and how States are investing in systems or special studies to monitor and evaluate the success of the FSP, both in terms of employment outcomes and of ensuring that families are receiving the food assistance to which they are entitled.

Number and Type of State Administrative Changes in the FSP After PRWORA

This section discusses the extent to which States made changes in their FSPs that fall into the six categories of re-engineering changes. Two approaches were used to examine these data. First, the total number of activities that fell into each of the six re-engineering categories was examined. These results are presented by displaying the number of States completing or planning an activity that fell into the specific re-engineering category. Second, the total effort made by States is displayed, that is, the number of States that undertook or planned re-engineering activities in one or more categories. Analyses of these data are therefore designed to provide a "big picture" view of the efforts made by States to re-engineer their FSPs. Details on the specific activities themselves within each of the six categories are presented in chapter II.

When viewing these data, it is important to remember that from the State agency's point of view, the changes to its FSP were likely the result of a single effort to change the way the program is administered. It was the purpose of this study to examine the State efforts and place the various activities into the six categories of re-engineering changes. For example, if a State decided to implement a project that redefined the role of the caseworker, and at the same time restructured reporting relationships by creating new organizational units, the State was classified in this study as having made changes in two re-engineering categories.

The data discussed below are divided into two general categories: activities implemented after PRWORA but prior to FY 2000, followed by activities planned for FY 2000.

How Many FSP Administrative Changes Did States Implement After PRWORA?

Every State agency included in the study (49 States and the District of Columbia) reported making administrative changes to their FSP that fell into one or more re-engineering categories. Figure 1 displays the number of States that have made changes, by the number of categories into which those changes fall. As can be seen, 48 (96 percent) of the States made changes that fall into two or more categories, while 19 States (38 percent) made changes falling into four or more re-engineering categories. Figure 2 displays each of the States and the number of re-engineering categories in which they made changes after PRWORA.

What Categories of Administrative Change Were Most Common?

As can be seen below in fig. 3, three categories of change were reported by the majority of respondents (see appendix table 2 for specific States). Forty States reported they had enacted re-engineering efforts in the category of client tracking and accountability systems—not a surprising finding, since this category of change was driven in large part by new requirements in the law. Thirty-nine States reported changes to improve FSP accessibility and client certification systems. Responses in this latter category included States' efforts to improve FSP participation by those eligible, as well as efforts to modify their application and certification systems. While efforts for improving access were consistent with the concern over large declines in FSP participation and the increasing public attention being paid to this, efforts to change the certification system may also have been a result of needing to reduce FSP certification error rates.

Of interest—and an unexpected result—was the third most frequently reported category of change: changes to conform FSP and TANF rules. Though only a small number of States opted to utilize the Simplified FSP option, a total of 34 States reported some efforts to conform the State's TANF and FSP rules.

A large number of States made changes in more than one of these three categories. Specifically, 22 States made changes in all 3 of these categories and 32 States made administrative changes in both their client tracking and accountability systems and in improving pro-

Figure 1
Number of States implementing re-engineering efforts as a result of welfare reform before FY 2000 by number of category changes
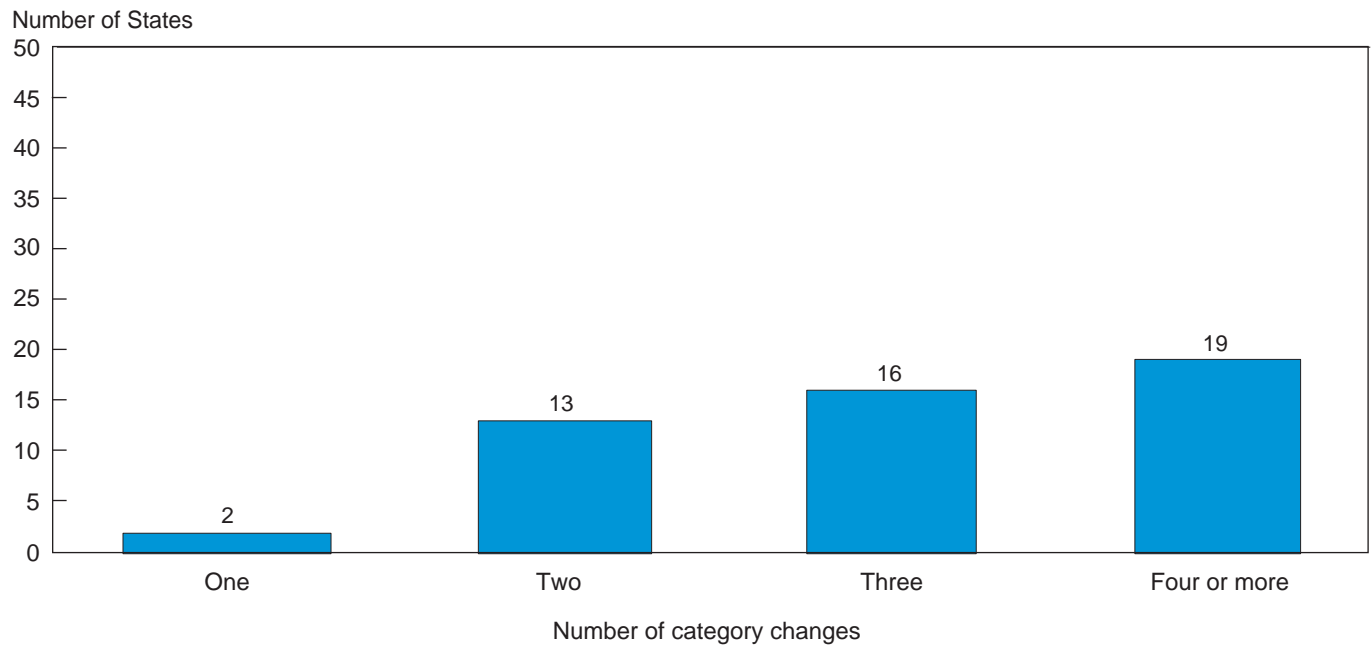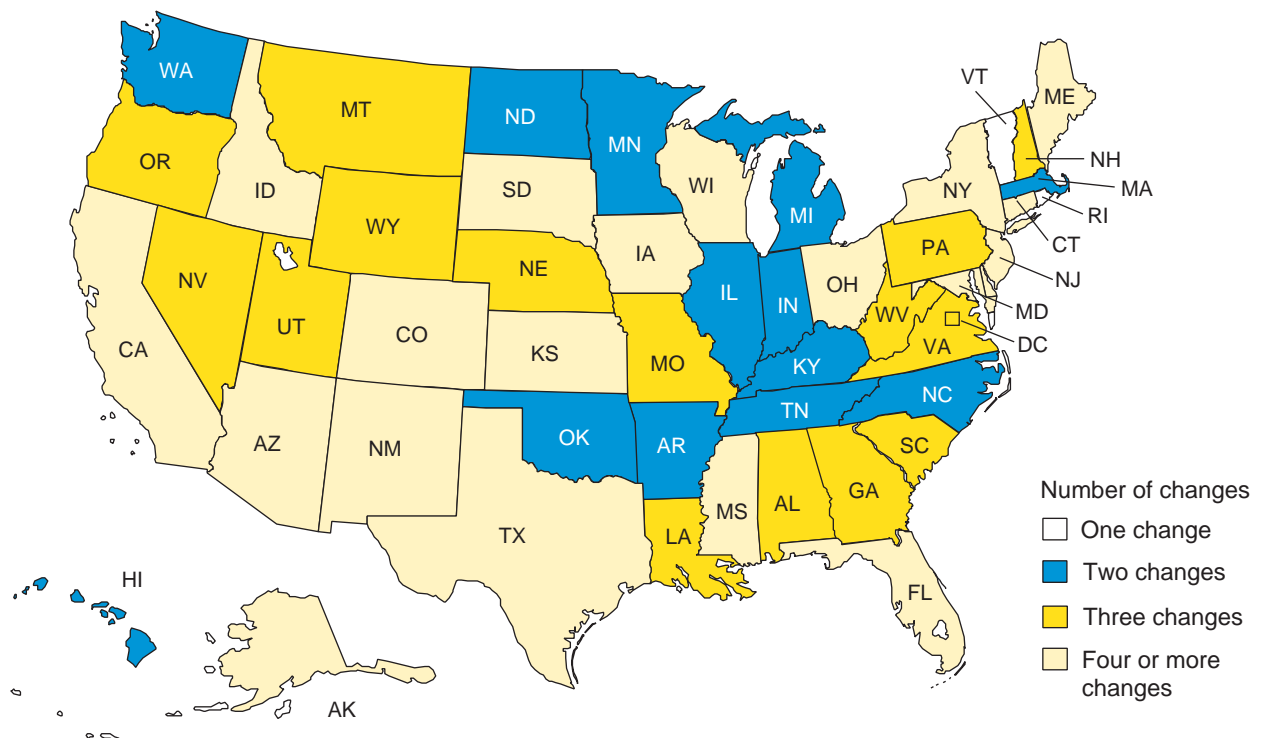
Number of States

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50
45
40
35
30
25
20                                                            19
15                                        16
10                        13
 5      2
 0
      One             Two             Three        Four or more
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Number of category changes

Figure 2
Number of re-engineering efforts by States as a result of welfare reform before FY 2000

Number of changes
- ☐ One change
- ■ Two changes (blue)
- ■ Three changes (yellow)
- ☐ Four or more changes

Note: Delaware did not participate in the study.

Figure 3
Number of States implementing re-engineering efforts as a result of welfare reform before FY 2000 by category of change

Number of States
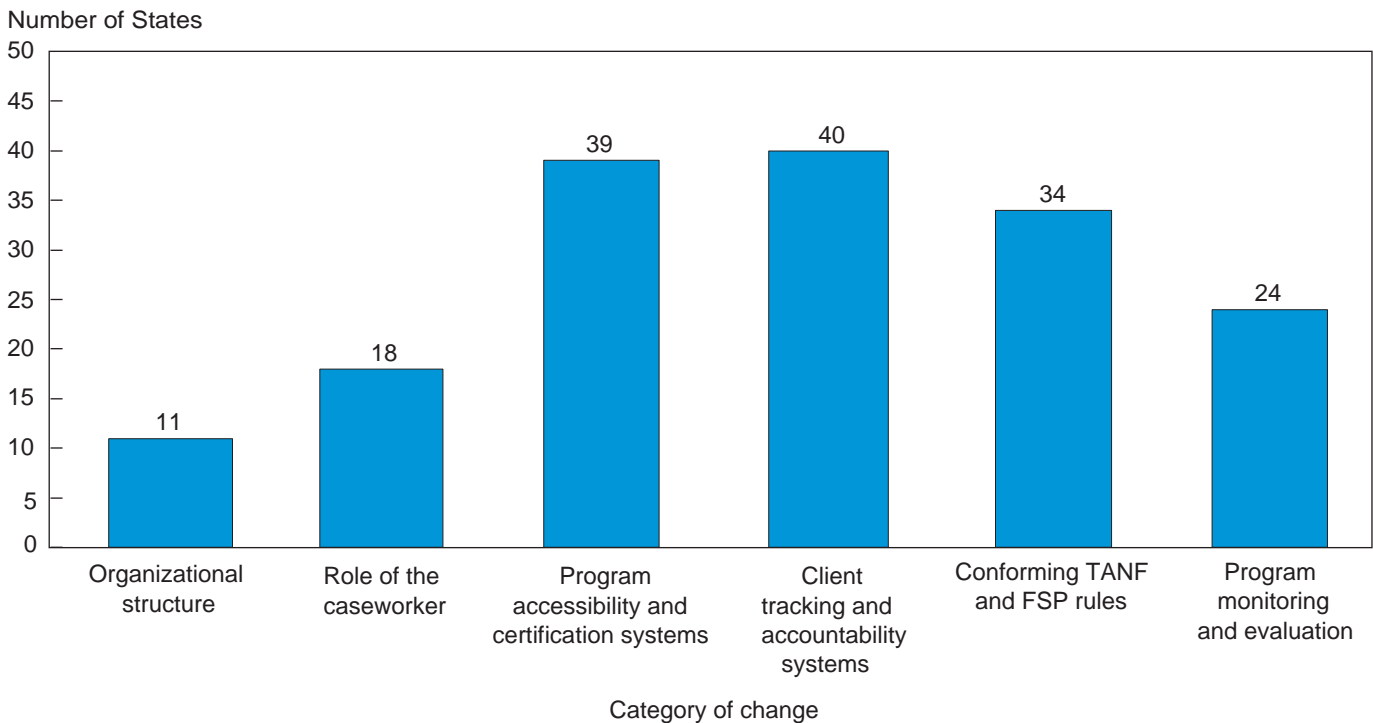
gram accessibility and/or modifying their FSP certification systems.

What Changes Did States Plan to Implement by the End of FY 2000?

In addition to asking about activities implemented since 1996 as a result of welfare reform, the study also questioned State officials about plans for implementing re-engineering efforts in FY 2000. States that were planning to enact one or more re-engineering changes in FY 2000 are displayed on the map in fig. 4. As can be seen in fig. 5, only 10 States reported no plans to implement any re-engineering efforts. One-third (16) of States reported plans to implement one change, 17 planned to enact 2 categories of change, 6 planned on implementing 3 changes, and one planned on implementing 5 changes by the end of the fiscal year. All 10 of the States not planning to implement any further changes had already implemented 2 or more changes in the prior years.

Of the States planning to implement changes in FY 2000 (see appendix table 3 for listing of States), the

majority (28 States) planned to implement changes in program accessibility and certification systems (fig. 6). This may be a direct result of the concerns regarding drops in FSP participation rates. It was also interesting to note that nearly one-third of the States (15) planned to increase their program monitoring and evaluation activities in FY 2000. This also may be related to the drop in program participation, as States may be wishing to analyze the impact of welfare reform on client services and caseload. The increased interest in program monitoring and evaluation will be discussed further in chapters III and IV.

Comparison of Changes By State FSP Characteristics

In examining the level of the effort with which States have re-engineered their FSPs, it is important to assess whether the extent of State changes was correlated with the level at which the FSP is administered (county or State) and the size of the FSP caseload, as measured by the average number of monthly FSP participants in each State.

Figure 4
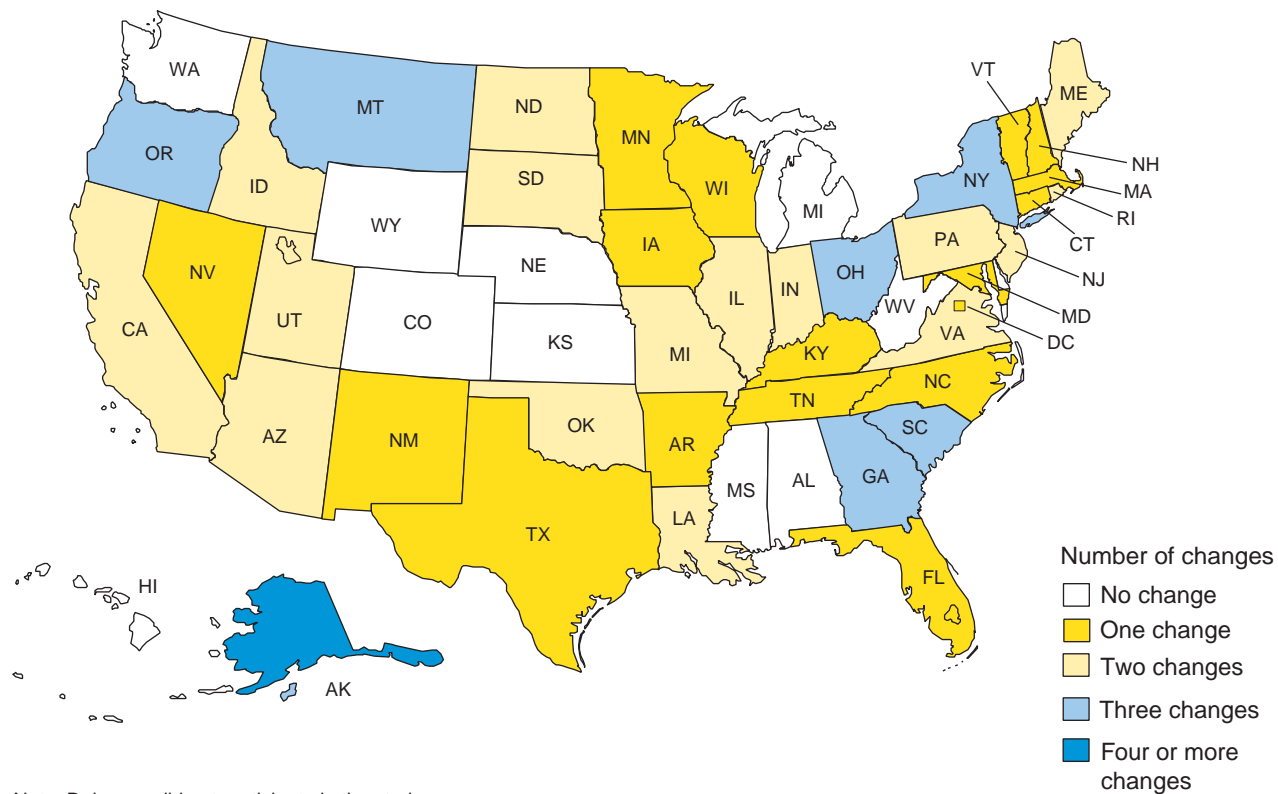**Number of re-engineering efforts planned by States for FY 2000**

Number of changes
- No change
- One change
- Two changes
- Three changes
- Four or more changes

Note: Delaware did not participate in the study.

Figure 5
Number of States planning re-engineering efforts during FY 2000 by number of category changes

Number of States

Number of category changes
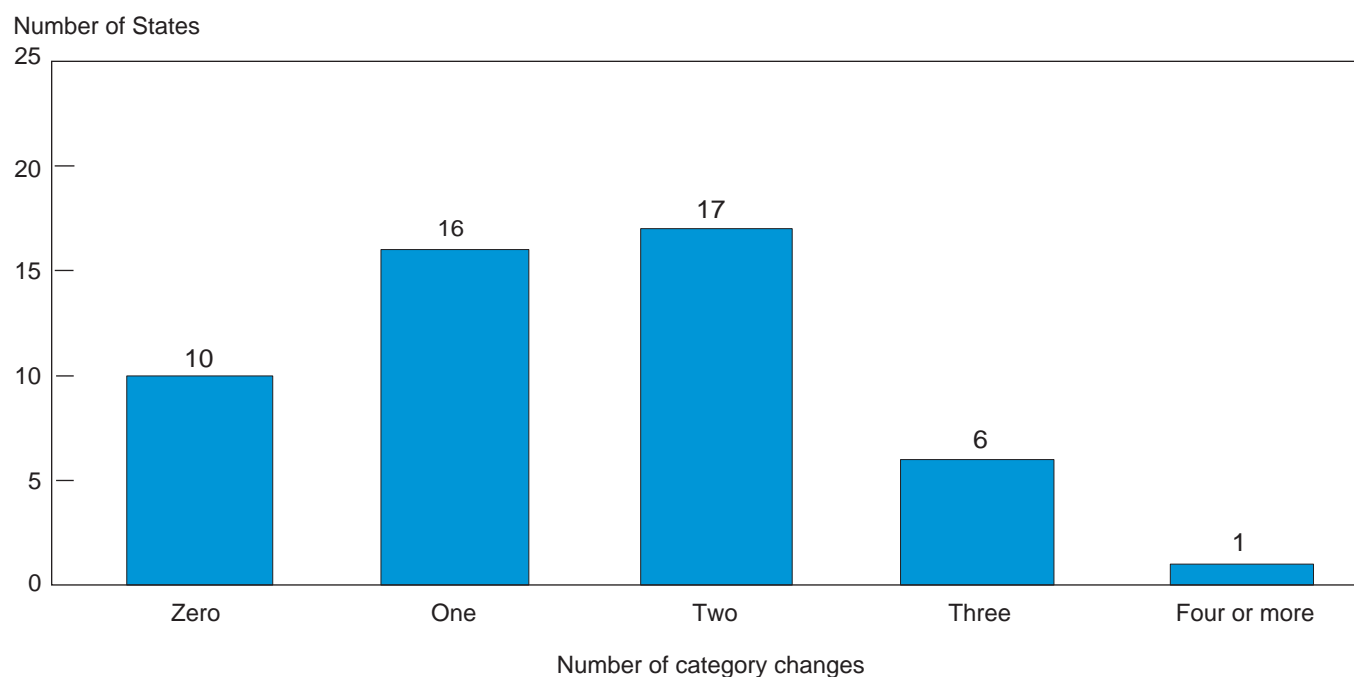
Figure 6
Number of States planning re-engineering efforts during FY 2000 by category of change

Number of States

Category of change
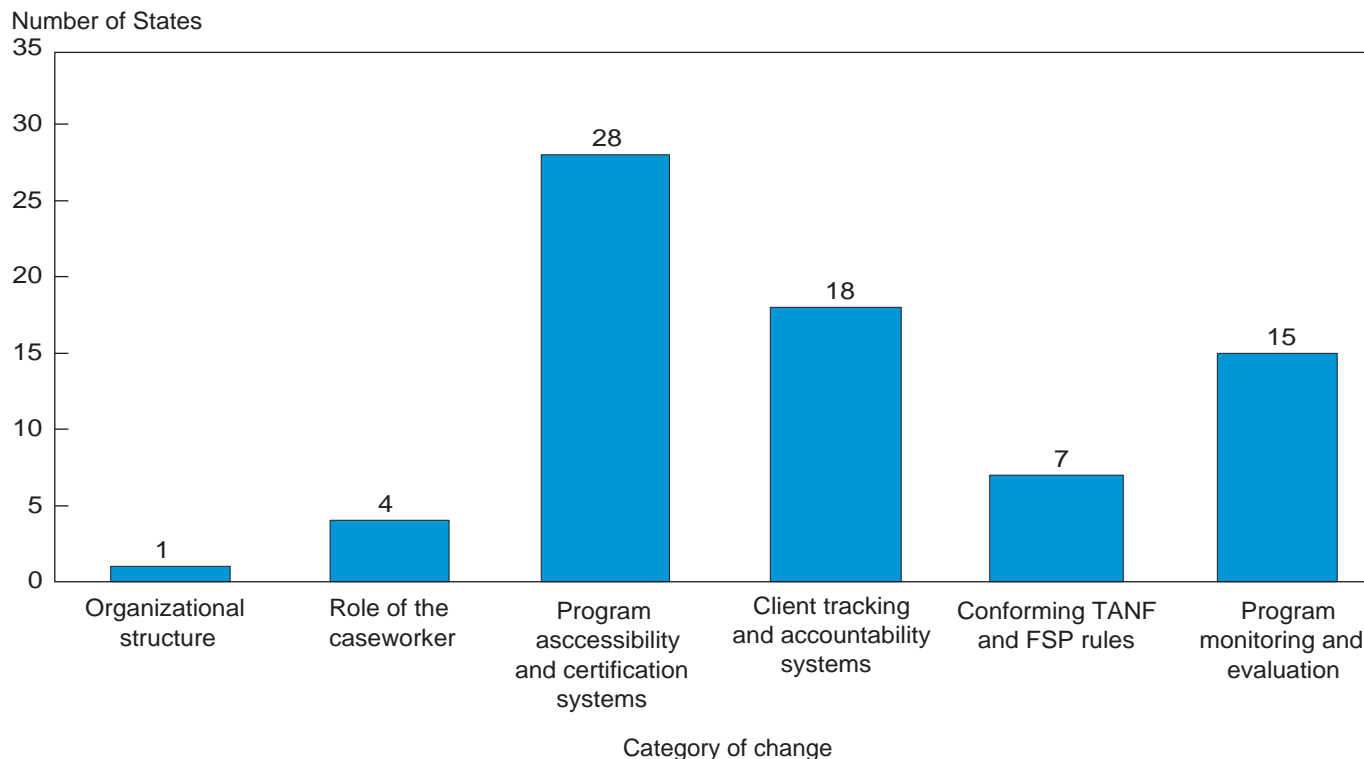
Are There Differences Between States With County-Administered and State-Administered Programs?

One hypothesis underlying this study was that States that allow counties to administer their FSPs would be more likely to place less emphasis on their re-engineering efforts than States that administer their programs at the State level. A total of 13 States (26 percent of the study States) have county-administered FSPs. The map in fig. 7 shows which States run county-administered FSPs and which run their FSPs from the State level.

Since the FSP rules are determined primarily at the Federal level, the major difference between county- and State-administered FSPs is that, in the former, a number of the decisions about administrative activities related to direct client services are passed down to local jurisdictions, depending on the level of flexibility allowed by the State. It was therefore thought that in county-administered States, the survey of State officials would find a smaller number of reported administrative changes because the re-engineering efforts might occur at the local level, where staff were not being surveyed.

However, when the data were examined, this assumption was not validated. County-administered States were just as active as, and in some categories more active than, their State-administered counterparts. When States with county-administered FSPs were compared with States administering their programs at the State level as to the number of re-engineering efforts enacted since PRWORA, some interesting contrasts were noted. Figure 8 compares the number of reengineering efforts enacted by the county- and State-administered programs. As can be seen, 7 of the States with county-administered programs (54 percent) made 4 or more changes, while 12 States with State-administered programs (32 percent) made 4 or more changes. All of the States with county-administered programs made more than two changes.

When the States reporting different categories of re-engineering efforts were broken down by county-administered and State-administered programs, some variations were found (fig. 9). While the most frequent categories of change in both kinds of States were the same—tracking and accountability systems, program accessibility and certification systems, and conforming the TANF and FSP rules—the most common types of administrative changes among county-administered
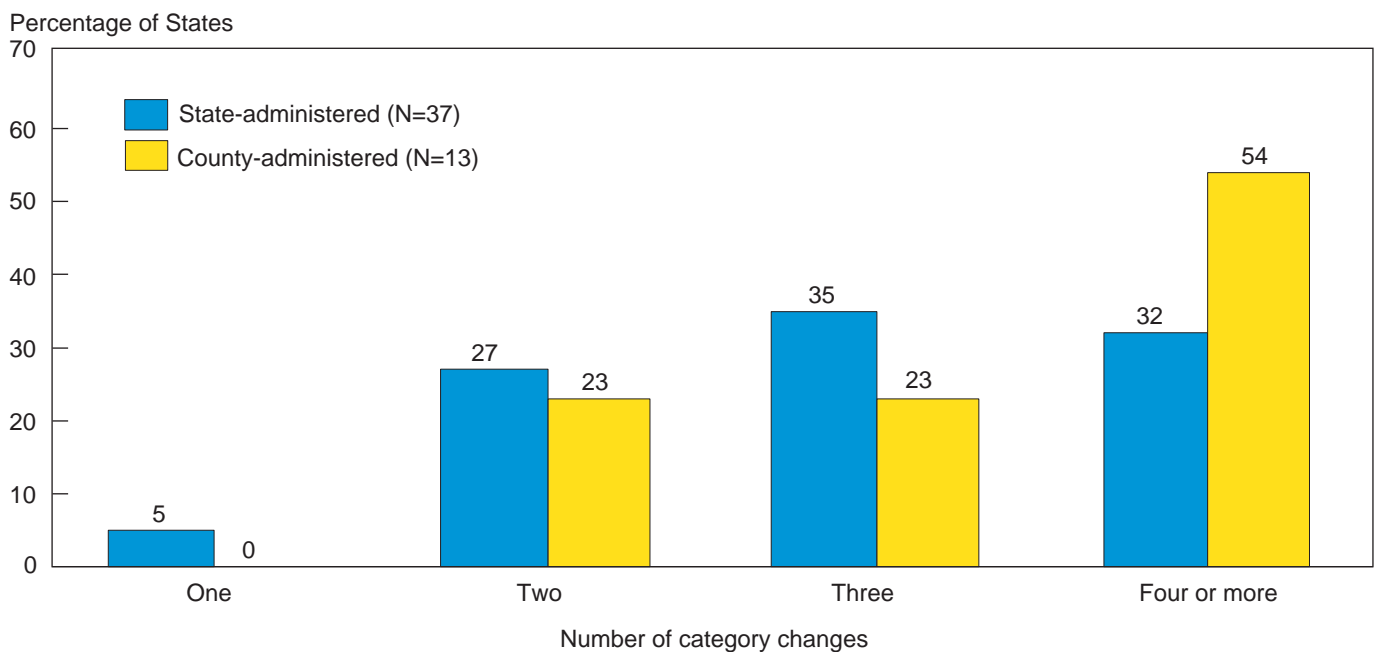
Figure 7
County- and State-administered programs[1]
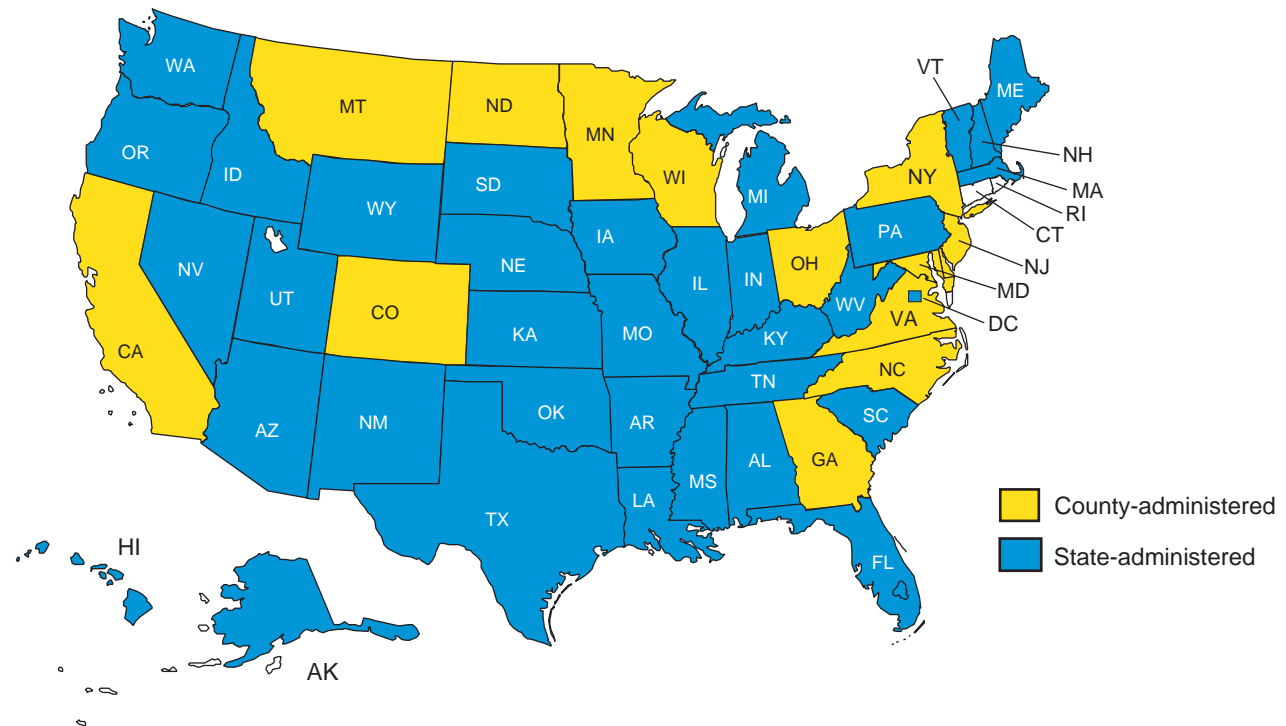
1 State-administered refers to States whose FSP's are administered at the State level; in county-administered States, FSP responsibiity has been given to the counties.

Note: Delaware did not participate in the study.

Figure 8
Percentage of State- and county-administered States enacting re-engineering changes as a result of welfare reform before FY 2000 by the number of category changes[1]
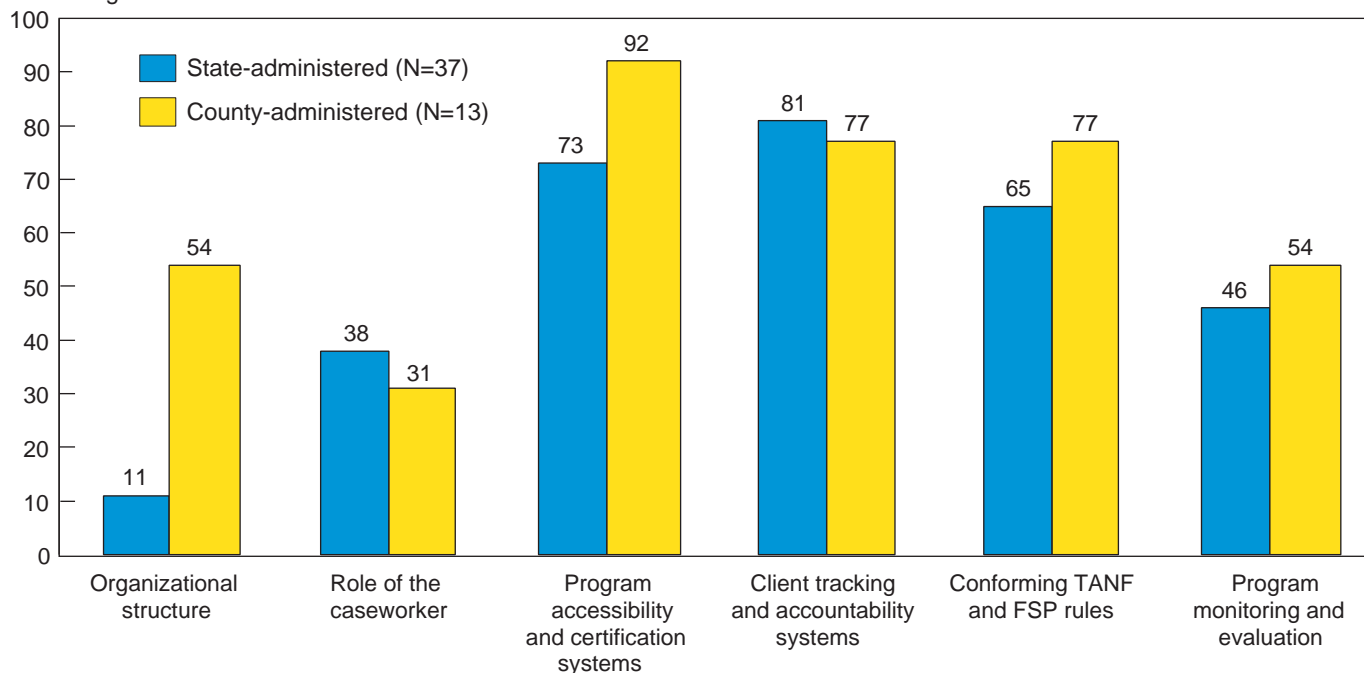
Percentage of States

Number of category changes

1 State-administered refers to States whose FSP's are administered at the State level; in county-administered States, FSP responsibiity has been given to the counties.

Figure 9
Percentage of State- and county-administered States implementing re-engineering efforts as a result of welfare reform before FY 2000 by category of change[1]

Percentage of States

[1]State-administered refers to States whose FSP's are administered at the State level; in county-administered States, FSP responsibiity has been given to the counties.

States (for 92 percent of the States) were changes in program accessibility and certification systems, while the most frequently reported administrative changes among State-administered programs (for 81 percent of the States) were changes to their client tracking and accountability systems.

When the types of changes planned for FY 2000 were examined (fig. 10), the county- and State-administered States had similar responses. For both kinds of programs, the most frequently reported planned change was to their program accessibility and certification systems—a program area that is being heavily stressed by FNS and the public to ensure FSP access for the working poor and those leaving the welfare rolls. In the latter case, the county-administered States reported planning additional changes in their program accessibility and certification systems, since the majority had made such changes prior to FY 2000. While 7 of the 13 States with county-administered programs (54 percent) made organizational structure changes prior to FY 2000, none were planning any changes of this type in FY 2000.

## Do Differences Across States Relate to Caseload Size?

Another factor believed to influence the variability of State re-engineering efforts was the size of the State's food stamp caseload. For purposes of this study, States were divided into those with small, medium, and large FSPs, based upon their average monthly caseload in FY 1999, the latest fiscal year for which final FSP participation data were available. A small State was defined as having a caseload of 100,000 persons or less, and a medium-sized State as having a caseload of between 100,000 and 500,000. Large States had caseloads over 500,000 (Food and Nutrition Service 2000(b)). (See appendix table 4 for specific State groupings.)

A total of 13 States fit into the small category, while 25 States were considered medium-sized and 12 were defined as large. When comparing the variation in the number of administrative changes across States by caseload size, minimal differences were found (fig. 11). All of the States with medium and large caseloads had enacted two or more administrative changes through FY 1999, while 85 percent of the small States

Figure 10

Percentage of State- and county-administered States planning re-engineering efforts during FY 2000 by category of change[1]

Percentage of States
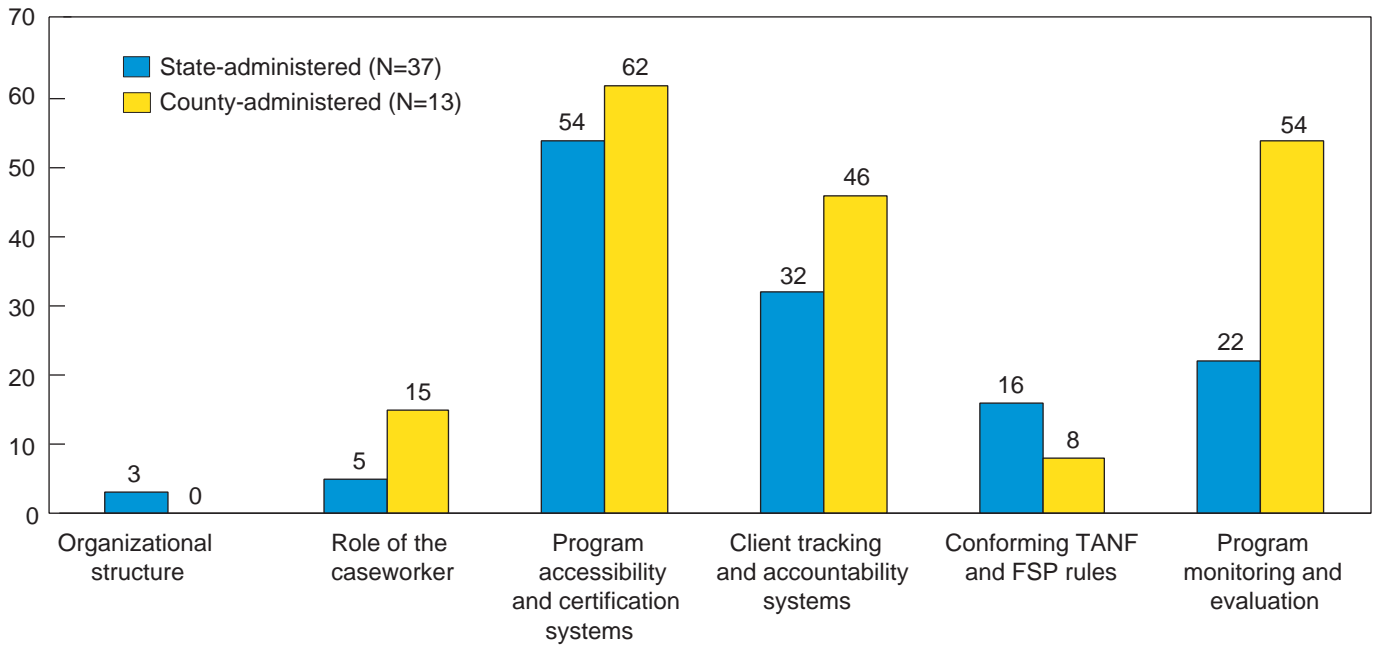
[1]State-administered refers to States whose FSP's are administered at the State level; in county-administered States, FSP responsibiity has been given to the counties.

Figure 11

Percentage of States implementing re-engineering efforts as a result of welfare reform before FY 2000 by number of category changes and by State caseload size

Percentage of States
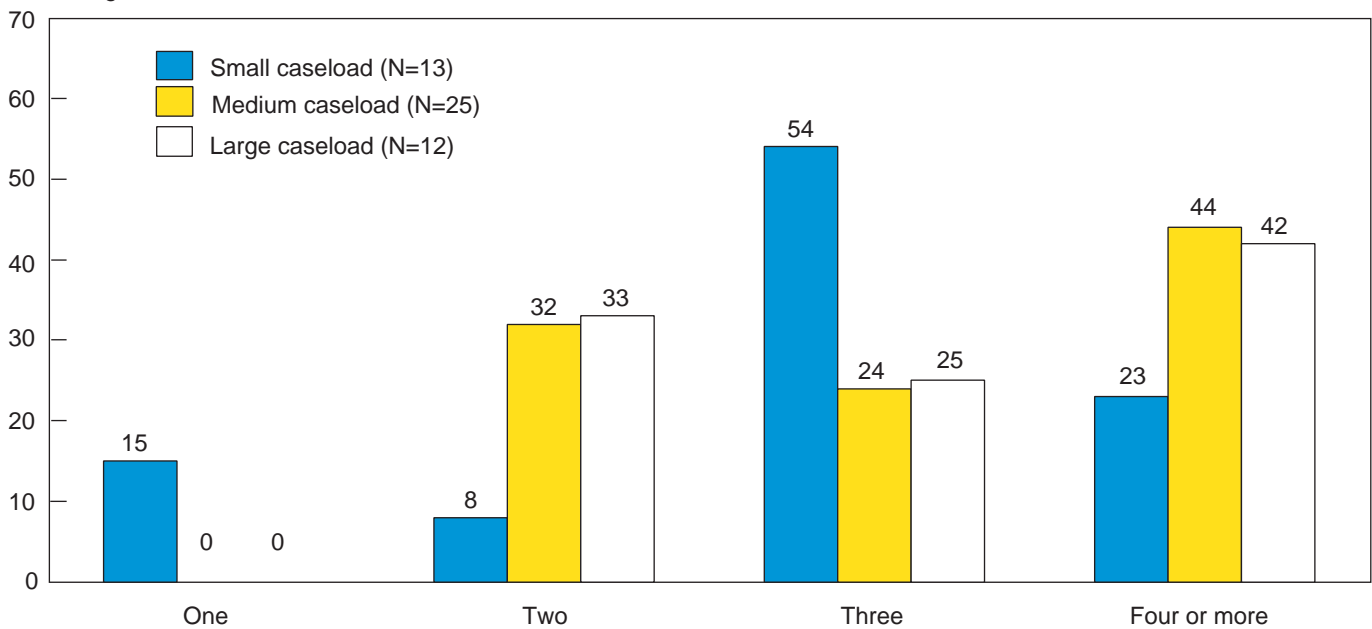
had enacted changes in two or more categories. Seventy-seven percent of the small States had enacted changes in three or more categories, as compared with 68 percent of the medium States and 66 percent of the large States.

In contrast, there were some differences found by State caseload size in the type of administrative changes most frequently reported, as illustrated in fig. 12. All 13 States with small caseloads reported making changes in their client tracking and accountability systems prior to FY 1999. Among States with medium-sized food stamp caseloads, the most common re-engineering efforts were in program accessibility and certification systems, with 20 of 25 States (80 percent) noting changes in this category. The 12 States with large caseloads divided their preference, with 10 (83 percent) making changes in client tracking and accountability systems and the same percentage making changes in conforming their FSP to their TANF program.

States Reporting Variation in Administrative Changes for Rural Areas

In examining the activities States undertake to re-engineer their FSPs, one can not assume that the changes in a particular category are the same across the State. For example, States might modify their re-engineering plans to accommodate the special needs of areas they consider rural. As part of this study, State officials were asked if they made different types of changes within their States based upon whether the program was providing services in a rural or an urban/suburban area. For example, accessibility issues may be greater in rural areas, which have limited transportation and long distances between clients and FSP offices. In addition, fewer staff may be available in rural areas, requiring adjustments in the role of the caseworker, such as creating generic caseworkers to serve all types of food stamp clients; conversely, the availability of a larger number of caseworkers in more urban areas may result in more specialization of caseworker activities.

For purposes of this study, States were not given a standardized definition of what constitutes a "rural" area, but were simply asked if different re-engineering changes were made based upon their own definitions of rural. A total of 18 States indicated that they implemented different types of re-engineering efforts based upon their perception of differing needs in rural areas of their State. The map in fig. 13 displays the States that decided to vary their re-engineering efforts in this way.

Figure 12

Percentage of States enacting re-engineering efforts as a result of welfare reform before FY 2000 by category of change and State caseload size
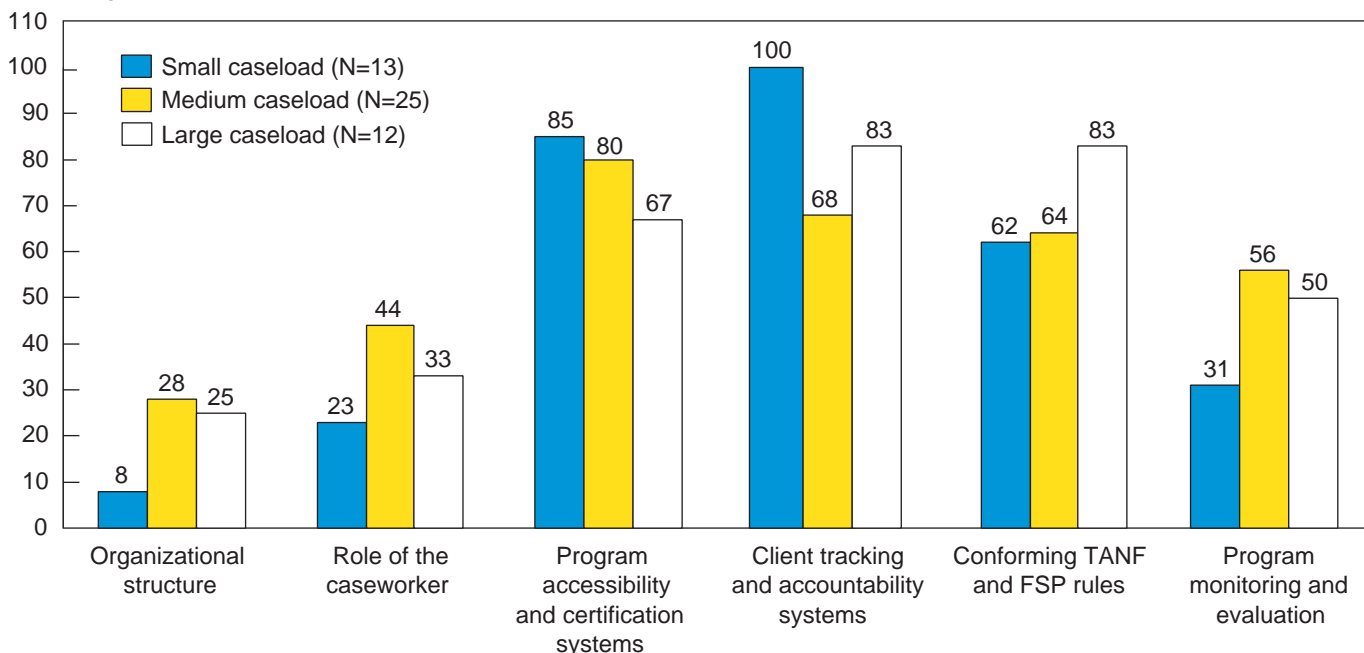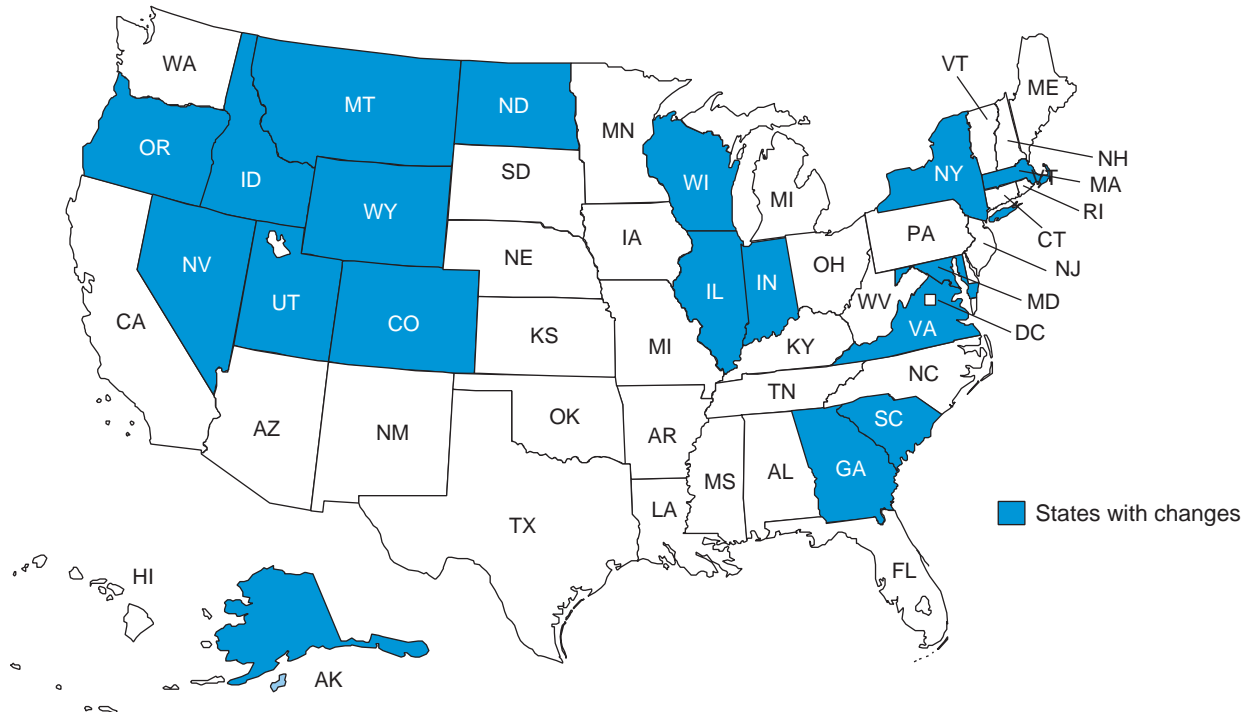
Percentage of States

Figure 13
States making changes based on differing needs for urban and rural areas

Note: Delaware did not participate in the study.

States were specifically asked if they took different approaches in their rural areas when they implemented changes in the categories of program accessibility and certification systems or when they changed the role of the caseworkers serving food stamp clients. Nineteen States reported some variation between changes they made in rural versus nonrural areas, with 14 States reporting variation in the area of program accessibility and certification systems and 3 States reporting they had customized changes in the role of the food stamp caseworker for their rural areas.

This chapter has provided a general overview of the level of effort engaged in by States in re-engineering their FSPs as a result of welfare reform. While an examination into the categories of changes is necessary, it is important to note that the specific activities undertaken by States within each category may vary significantly. The next chapter provides an in-depth look at the specific administrative and program operations activities that States performed within the various re-engineering categories.